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ABSTRACT

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CONTENTS

ABSTRACT

The administration of the Santa Fe, New Mexico School District is gradually moving toward school-based management, a process in which teachers in several schools have already taken on much more responsibility for initiating changes in educational delivery and in the day-to-day governance of their school. This paper describes how these changes occurred and what impact they have on the way teachers deliver education. The paper draws from interviews of Santa Fe personnel conducted in April 1987 and March 1988. The information was updated in the spring of 1989.

The analysis shows that school-based management in Santa Fe has meant reducing significantly the number of district office administrators and changing the nature of teacher-principal roles. There is support for such change among teachers and parents. Teacher innovation seems to produce an atmosphere of excitement about learning and may increase the effectiveness of educational resources in prod ing learning. But there is also resistance, not only because of existing hierarchies but because school-based management requires voluntary time from teachers and principals on top of already heavy demands. If, in addition, the restructuring begins shifting educational resources to at-risk pupils, the more vocal, higher-income parents may push to alter the nature and spirit of such changes.

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INTRODUCTION

The school district restructuring reforms of the mid-1980s represent an important response to the call for higher quality and more equitable education. These restructuring efforts are sometimes viewed as part of a "second wave" of reform which differs significantly from the decade's "first wave." The first wave reforms are characterized by state directives and focus on academic standards. Second wave reforms are district based and emphasize the process of educational delivery.

Restructuring depends on the willingness of individual local district administrations to give greater control over education to teachers and principals at the school site and on teachers' willingness to take greater control. Educational changes--or what reformers can measure as educational changes--have occurred much more slowly under restructuring than in reforms which alter performance standards, curriculum requirements or teacher certification processes through state action.

This paper examines several elements of the second wave reforms through a case study of restructuring in the Santa Fe, New Mexico, Unified School District. It discusses why and how the reform occurred and what it implies for changing school outcomes.

The Theoretical Context

We base our analysis on a theory of educational production in which a principal problem is the labor process.[1] State and local bureaucracies with institutional objectives have to rely on individual teachers hired as professionals to provide instruction that meets those objectives. The problem arises when bureaucratic attempts to regularize schooling through system-wide definitions of curriculum, time-on-task allocation, and rules of passage conflict with teachers' self view as autonomous professionals and decision-makers in the teaching-learning process.

The behavioral theory of the firm[2] suggests that individuals working in them shape their beliefs and actions to conform with organizational structures and policies.[3] Organizations also choose individuals that they sense will "fit well"

into the organization's structure and goals. Private firms have the power to reinforce directly desired behavior through wage incentives and promotions related to supervisor perceptions of performance, and through sanctions, such as firing. But the amount and quality of effort that employees expend to meet organizational objectives is problematic even under these conditions. In schools and school districts, such positive or negative motivational instruments are not generally available. Individual teacher's wages are not tied to their students' performance and, even in the absence of unions, teachers retain professional status, gain tenure and are difficult to fire.

A major reason why it is almost impossible to tie salaries to teacher performance is that schooling output (good work habits, motivation to learn, cognitive learning, and citizenship, for example) is produced jointly with families and the division of responsibility in the production process is extremely vague. Teacher performance is inextricably linked to non-school inputs that are invested in students not only in the pre-school years, but during the schooling process. This joint production aspect of schooling often creates conflicts over what goes on in school between the school and community and between teachers and parents. School district organizations have therefore had to respond to a variety of political pressures with respect to content and process.

Thus, it is not surprising that a wide variety of management styles and models exist in school district organizations around the United States. But it is also true that historically school bureaucracies have grown, and there has been increased "socialization" of educational objectives away from the local level into the hands of state and even national bureaucracies. There are many explanations for this increased bureaucratization of education, but an underlying theme is the greater "rationality" and predictability of an institutional agenda set by an "expert" bureaucracy rather than individual professional teacher-craftspeople each deciding how to produce desirable educational outcomes.[4] In Levin's words, ". . . schools were faced historically with creating a mode of organization that would standardize the instructional process and teaching activities by taking control of them away from the vagaries of individual professional judgments."[5]

The downside of this greater predictability of outcomes and greater control of teacher's allocation of time (through highly standardized curriculum) is the delocalization of administrative decision-making and the "d-professionalization" of teachers. Because of increased control of education by state bureaucracies,

district administrators generally spend most of their time and energy keeping teachers happy and convincing their school board (parent/community representatives) that good things are happening in the district (the children are performing as well as their social class background allows them to) rather than maximizing student performance per se.[6] Administrators also must use a variety of devices to motivate teachers to devote effort and time to the state bureaucracy's educational agenda, since teachers neither set the agenda nor have a vested interest in it.

With the pressure to improve American education, recent reforms have moved to increase student achievement both by raising state-mandated high school course requirements (a top-down, bureaucratic curriculum reform), and by giving more control through restructuring to those directly responsible for delivering education--the principals and teachers.[7] Restructuring is a governance or management reform. It is an attempt to increase teacher effort by bringing teachers back into the decision-making process. The underlying concept of this model is that personnel at the school site are viewed as capable professionals, deserving of autonomy. They must be encouraged to develop "the highest form of individual and team self-management." Lewis calls this "intrapreneurship--[the] developing of innovative products, programs and services within an established organization. Autonomy and intrapreneurship are inseparable and both are necessary to achieve excellence in education."[8]

Why would a school district want to restructure? The main reason, we contend, is local management's desire to increase its legitimacy with teachers and parents (the school board). Involving teachers as professionals in the creation of curriculum and the organization of educational delivery at the school site "reprofessionalizes" them and allegedly reduces teacher alienation. This should increase teacher effort and, through such increased effort, should improve student performance.

But there is another possible reason: by decentralizing decision-making, there is an increased tendency to reach "market" solutions to resource allocation in schools. This will allegedly reduce the costs of production of academic achievement. But as Oliver Williamson has argued, a bureaucracy may mediate economic transactions between its members (in this case, the transaction between teachers producing academic achievement and parents demanding certain school outputs) at lower costs than a market mechanism can.[9]

Because restructuring is primary a management reform and focuses largely on increasing teacher effort within the constraints of the larger socialization of educational goals set by state-level bureaucracies, whether and how restructuring is implemented depends on political conditions at the local level--in the school district. It also depends to a much greater extent than state-mandated requirements on the nature of educational leadership at the local level: the district superintendent, teachers and teacher organization leaders, principals, and school board members. Santa Fe Unified School District represents one kind of example of why and how decentralization takes place.[10]

We interviewed personnel in Santa Fe in April 1987 and March 1988. We then updated our information in the spring of 1989. In our analysis of the Santa Fe School District's restructuring reform, we assess whether teacher effort was increased by the reform, what the impact was on the school administration's legitimacy, whether costs were reduced by debureaucratizing (reducing central office personnel), and what possible contradictions may emerge from the reform that could make recentralization more attractive. We have not attempted to make a systematic analysis of the impact of increased teacher effort on student performance in Santa Fe, and this is one of the serious limits of this and other evaluations of restructuring.[11] We conclude with an assessment of the implications of the case study for reform policies.

SANTA FE UNIFIED SCHOOL DISTRICT: A CASE STUDY IN DECENTRALIZED ADMINISTRATION

A "legitimacy model" of district reform[12] suggests that such reforms take place when the legitimacy of the existing (here, a centralized) model comes into serious question from one or more of several sources: parents (school board), teachers, or the higher-up state administration. But this does not appear to be the case in Santa Fe. There, the school superintendent, Edward Ortiz, initiated the reform during a period of apparent political stability (absence of crisis) in the school district. He had good relations with the school board and little to lose personally should the reform fail. Thus, the reform resulted from the efforts of a single individual with considerable prestige and political backing. He initiated and implemented restructuring without any evident pressure for administrative change from parents and teachers.

Yet, even in this case, in order to get change, Ortiz had to convince his constituents that a crisis did, in fact, exist.

> Teachers were generally happy--scores were above national norms. Parents who participate in school activities--their kids were doing well, so they didn't see a problem. There was even a bumper sticker out there: "Our schools are well and getting better." [Even so] people felt that there was something wrong, but they didn't know what. I brought in the different [national education] reports and showed them that the findings of those reports were also true here. I had to create a crisis. (Interview with Edward Ortiz, February 8, 1989).

Initiating educational change in New Mexico is not easy. Because of the political power of the state's rural areas, recurrent spending for education is handled almost entirely by the state legislature, which evens out allocations to rural and urban areas. This has the effect of equalizing spending, but it also makes it difficult for any district to use a local taxing authority to innovate. School districts can use such taxing power only for capital investments. As a result, about 95 percent of Santa Fe's recurrent expenditures come from the state treasury.[13] In turn, state funding is tightly linked to externally (to school districts) legislated rules and regulations, such as classroom size at each grade level, budget categories for various expenses, and teacher salaries. This leaves

superintendents little leeway either in allocating their budgets or in the way services are delivered within each budget category.

A state legislature such as New Mexico's therefore takes on a primary role in shaping district educational policies (although Ortiz and the teachers we interviewed agreed that local school administrators often increase regulations far beyond what the state intended). And, compared to many other states, conflicts over educational change are more concentrated at the legislative level. For example, when this case was written, legislation was pending to use local property taxing power (mil levies, as they are called), for operational (recurrent) funds. The legislation faced opposition from rural school districts. However, if the bill were to be passed, it would allow reformers such as Ortiz to raise funds locally to supplement state allocations.

In the meantime, Ortiz has received both financial and organizing support from the Matsushita Foundation, under the direction of Sophie Sa, which has taken an active role in funding and shaping the restructuring effort in Santa Fe (and in a number of other school districts around the U. S.).[14] The Foundation not only lends external legitimacy to Ortiz's original efforts, it provides significant technical assistance to the schools and is attempting to shape attitudes in the legislature toward the reform.[15] The role of such external support, therefore, is crucial to the decentralization process.

Demographics

Santa Fe Unified is composed of 18 kindergarten through sixth grade elementary schools, 3 seventh through eighth grade middle schools, and 3 ninth through twelfth grade high schools, including 1 vocational-technical school. The district enrollment for the 1988-89 school year was 11,250 students (60 percent Hispanic and 37 percent Anglo). The elementary schools tend to be neighborhood schools and are therefore somewhat ethnically segregated. About 42 percent of the 616 regular elementary and secondary teachers are Hispanic and approximately 53 percent are Anglo.

There are 24 principals and 9 vice-principals in the school district. Under Ortiz's direction, the district's central administration has been reduced to five key persons: the superintendent, the business manager, an assistant superintendent in charge of elementary curriculum, an assistant superintendent in charge of secondary curriculum, and a director of administrative service in charge

of federal programs, grants, and teaching interns. A director of personnel is conspicuously absent from the district office. Interviewing and hiring of teachers have been shifted to the school site. Central administration only assists in the processing of applications. A school board of five elected members oversees the administration. Since 1988, the board has been elected by electoral district, which means that its members have only recently come to represent local neighborhoods within Santa Fe--significant because three out of five school board electoral districts have substantial low-income constituencies.

Leadership

Superintendent Ortiz has been a teacher, principal, and assistant superintendent in Santa Fe. He has headed the district since the early 1980s. Ortiz is a man with a clear philosophy and mission, a true advocate of school-based management in the purest sense: ". . .programs in our schools should be student-centered, teacher-initiated, administrator-supported, board-approved, and parent-involved."[16]

Ortiz argues that the factory model of delivering education, which is characterized by sameness and a union mentality of treating teachers as workers, is obsolete. His goal is to replace this model with one where teachers are regarded as professionals who have the most knowledge and skills to meet the educational needs of their students. He believes that school improvement is a "collaborative, democratic, participatory" process in which teachers, principals, and parents plan and manage all aspects of the school program at the school site. He says that "You've got to trust teachers. You've got to say yes." The more administrative structures there are, the more opportunities for "no-saying" to teachers' ideas and creative problem solving.

In keeping with these ideas, Ortiz has been trying to eliminate the two curriculum assistant superintendent positions in the district office. There are already curriculum task forces and school improvement coordinators at each school. Members from these groups comprise a 30-member district-level curriculum council. It is their principal task "to review and say yes" to individual teacher and school curriculum projects and ideas. The coordinators meet on a regular basis for the purpose of intra-school communication and support. Yet, according to Ortiz, he has faced opposition from the school board to eliminating district office administrators. "The Board," says Ortiz, "wants someone to be

accountable for any problem that arises. . . .When you have a crisis, you fire one person. Boards still think in terms of bureaucracy and a culpable administration."

Ortiz views the school as a political system in which the two most important groups--apart from students--are parents and teachers. He views his own role and that of principals as facilitators in the process of change for improvement. Teachers are the leaders in change: they are in the best position to know and respond to the unique needs of their students. Test scores, budgets and accountability issues, while important, are secondary to Ortiz's concern for effective programs for all students, particularly those at most risk. He acknowledges that change is gradual, but he appears patient and confident in achieving it.

History

Aside from not replacing several retiring administrators working in the district's central office, Ortiz's restructuring efforts have been largely conducted through a Schools Improvement Program (SIP) created with the help of the Matsushita Foundation. The program began in spring 1987 when Ortiz sent a memo to all certified personnel asking for volunteers and ideas for enhancing education and for defining the role of teachers in the project. The response to the memo was so large that 100 ideas had to be selected. Representatives from all the schools in the district met three times to categorize the ideas and to form committees to explore them more fully. A SIP executive committee of teacher representatives was also formed.

The Matsushita Foundation provides technical assistance funding for the SIP. The funding pays for consultants, trips taken by Santa Fe teacher representatives to other innovative districts and visits to Santa Fe by teachers and administrators from other districts. Through such technical assistance, teachers in Santa Fe are put in touch with the latest experiences and innovations around the country and stimulated in their efforts to implement changes in their own schools.

The Foundation plays a key role in other ways: it encourages strategic thinking and risk taking by teachers and principals in the schools as they formulate new school improvement programs; it helps develop more supportive relations between traditional power holders in the district (administrators and the school board) and the teachers making changes; and it helps teachers find time during their school day to plan school improvement programs. Most important,

the Foundation provides an external source of legitimacy for the restructuring process that helps an activist superintendent such as Ortiz to achieve change.

How the SIP Process Works

The SIP process forms the basis of school-based management in Santa Fe.

> Teachers have been empowered to envision the kind of school they would like to create. In attempting to reach that vision, through information from consultants, planning time, observations of programs in other schools, and various other assistance and with advice and collegial support from the principal of the school, they can submit an Assistance Request Form to the Executive Committee. . . .Ultimately, teachers may create schools which are fundamentally different from their current schools. These changes may require the approval of the school board before being implemented and the involvement of parents for successful implementation. Regardless of the changes that are made, the major goals of the SIP in each school will always be to have a positive effect on children's learning and to strengthen the educational program of the school."[17]

Through the SIP, then, the decentralization process in Santa Fe constitutes an intention to shift responsibility for initiating and implementing educational (curriculum and delivery) change from the district office and state legislature to teachers.

As of this writing, because of state regulations,[18] or teachers' and principals' perceptions of those regulations, changes have been initiated primarily in nonreading and nonmath areas of the curriculum. For example, at Sweeney Elementary School, social studies is now taught to nongraded, multi-age groups of pupils away from their regular teachers for one hour daily. The state office of education agreed to waive social studies requirements so that a new curriculum can be taught. At Kearny Elementary, Spanish, science, and social studies are team taught to the first and second grades. One goal is for children to be able to speak Spanish after six years at Kearny. At both schools, all faculty participated in developing these projects.

In addition to greater control over curriculum and delivery, teachers in Santa Fe are also empowered to select their own school principals and, with their principals, to govern their schools. For example, faculties of the Larragoite Elementary School and the Capshaw Junior High School hired their own principals in 1987-88, in a long process akin to faculty search committees in universities. Teacher and parent representatives to the search committee reviewed applications

and selected candidates for final interviews. The committee attended workshops to learn how to develop an interview questionnaire and to conduct the interview. In both cases, Ortiz accepted the recommendation of the committee. In the 1989-90 school year, when the Sweeney principal stepped down, she was not replaced. The teachers at Sweeny now run the school by committee. Organizational structure and curriculum design at other schools also resulted from shared decision making.

The process depends largely on the willingness of the superintendent, the school board, and the state legislature to allow for teacher participation in decision-making, a high degree of control by teachers over what goes on in Santa Fe's schools, and on the voluntarism and idealism of the teachers themselves. Increased teacher control does not extend to budget decisions and has little, if any, influence on their salaries or other state-mandated educational requirements. Funding for the SIP--hence, increased teacher control--has to come from outside sources, primarily the Matsushita Foundation (for technical assistance), and other grants and donations for teacher release time or special programs.

This constrains the development of school-based management and innovation even when it is supported by the district office and the school board. The bottom line is that Santa Fe's teachers have to put in largely unpaid time for all this participation and planning or be able to find the funds to pay for part-time teachers (art, music, physical education) to free them for SIP activities.

Even so, the psychic rewards associated with greater control has increased teacher and principal effort considerably in some schools. The principal of one elementary school reported that "Perhaps the most significant outcome of involvement in the SIP Program has been the movement from cynicism about being powerful to effect change to a sincere attempt by staff members at identifying needed changes and generating ideas to effect those changes."[19] One Sweeney teacher told us, "We see lots of excitement about [the social studies] core. . . . We are tired, but because it is exciting and new, we are able to pull it off." A teacher from Kearny said, "The children are excited about learning; they are applying what they are learning outside of class."

But in other schools, the psychic reward is not as motivating, and teacher effort has not increased. As the First Annual Report states: "The SIP progress continuum, then, is quite broad, ranging from great vision and belief in school

based management and decision making to a minimal understanding of the concepts basic to restructuring and limited credibility towards the program."[20]

Decentralization and Teacher Time

One important lesson of the Santa Fe experience is, therefore, that even in a situation where the district office promotes school-based management, the degree of implementation depends on how teachers view the monetary and nonmonetary rewards of their work. The decentralized model of school organization upgrades the status of teachers as professionals, increasing their self-image and the psychic rewards they derive from teaching. At the same time, however, it places severe demands on an already precious resource--teacher time.

In a typical innovation, such as the social studies core implemented at Sweeney, the active teachers (and the principal) put in a lot of extra time, including coming in on Saturdays. The sense of teamwork is strong, making such commitments easier. But time away from families also often creates stress and other pressures. One teacher told us, "If you want us to support this [type of change], we need to be provided with time in our regular work week to implement these programs."

We attended a SIP steering committee meeting (SIP coordinators from all Santa Fe's elementary schools) in April 1988. An important issue at that meeting for schools making relatively little progress was teacher participation. Coordinators stated that they simply didn't have enough time to do all their daily classroom tasks and also meet regularly in the interest of overall school improvement. As a result, a major focus of Santa Fe's school improvement efforts has been to find practical and creative ways for providing teacher release time to be professional decision makers. Budget and other constraints prohibit hiring more full-time teachers to reduce overall teaching time. Instead, school SIP committees are considering solutions such as team teaching and the use of instructional aides, part-time, specialized professionals, teaching interns, and volunteers. As teachers move toward further autonomy as professionals, they still must contend with traditional state and community attitudes and expectations about the length of the teaching day, the time spent on particular sections of the curriculum, and the number of children per teacher in each grade.

The issue of additional teacher time is somewhat attenuated in Santa Fe by the absence of any teachers' union. It is admittedly easier to fire uncooperative

or incompetent teachers than in a union situation. Further, New Mexico recently lowered teacher minimum retirement age to 55, which allowed Ortiz to replace a number of older teachers (some, however, were his "best" teachers) with younger ones. On average, younger teachers are more likely to get involved in SIP organizing, particularly those in the 10-15 year range of service. According to the teachers we interviewed, there is a passive resistance among those teachers close to retirement. They do not want to get involved in time-consuming activities.

In theory, the school board could fire such laggards. Yet, in practice, even without a union and without tenure, removing teachers is not easy. "We do not feel totally safe," teachers told me, "but we do not feel under threat every day either. There is a procedure." Apparently, most teachers feel protected enough that teacher effort response varies widely among schools even with the considerable pressure from Ortiz and the SIP coordinators to increase participation in school-based management. This suggests that in the context of the overall bureaucratization of educational goals and labor arrangements, extracting more teacher effort through voluntary "reprofessionalization" has its limits.

Cost Effects

We have argued that one of the arguments for school-based management is the greater efficiency associated with market solutions to resource allocation, although competing paradigms support the possible greater efficiency of bureaucracies. School-based management and professionalization has had three types of impact on Santa Fe School District costs:

1. Even before the move to school-based management, which began in the 1986-87 school year, the number of administrative staff in the district office had been reduced to the present five. This had already decreased central administration cost to a low 3 percent of the total district budget by the early 1980s. Unfortunately, published data on district costs hide this reduction because a number of central administrators were previously allocated to the rank of instructional activities (and costs) with which they were associated (see Table 1 for Santa Fe's operational cost distribution over time). Nevertheless, when compared with a much more centralized school district's budget (Santa Clara Unified in California)[21], considerably less of the total goes to central

Table 1

OPERATIONAL (RECURRENT) COSTS, SANTA FE SCHOOL DISTRICT, 1977-78, 1981-82, 1987-88, BY CATEGORY
(thousands of dollars and (percent))

Category	Year		
	1977-78	1981-82	1987-88
Central Admin.	440 (3)	688 (3)	909 (3)
Direct Instruction	7,962 (55)	12,319 (52)	16,275 (50)
Instruct. Support	1,554 (11)	3,034 (13)	4,125 (13)
Pupil Transport	665 (5)	1,089 (4)	1,711 (5)
Plant Operation & Maint.	1,813 (12)	3,328 (14)	3,858 (12)
Non-Instruct. Student Support	178 (1)	270 (1)	311 (1)
Community Services	33 (0)	60 (0)	118 (0)
Fixed Charges (Benefits, Insurance, Rent)	1,778 (12)	2,961 (12)	5,025 (16)
Total Operational	14,423 (100)	23,749 (100)	32,332 (100)

Source: Santa Fe School District, Public School Budget, 1979-80, 1983-84, 1988-89 (table shows actual expenditures in previous school year).

administration in Santa Fe (3 percent versus 6 percent in 1987-88). Further, based on best available information, the percentage of total budget going to central administration fell in Santa Fe in the past 10 years, whereas it increased sharply in Santa Clara. It appears that on this basis, decentralizing administration can save up to 2-3 percent of a school district's budget. In Santa Fe, these types of savings preceded school-based management and teacher empowerment.

2. There are large parts of the budget on which decentralization has little or no effect. In Santa Fe, decentralization has not touched transportation, capital improvements, and maintenance, which remain largely centralized. Ortiz does believe that there are advantages of staff decision-making in which supplies to buy--including janitorial supplies. The gain from large-scale purchases of school equipment for all schools at once may be more than offset by losses from supplies not being appropriate to particular schools' needs and hence not used. For Ortiz, it is the "professionals" who are most likely to make the right decisions on what to buy for their needs and to use equipment they purchase more intensively and effectively than purchases made by a central administrator. Ironically, the percentage going directly to instruction has declined since the early 1980s, probably as a result of holding teacher salaries constant between the 1985-86 and 1980-90 school years and the elimination of several district office administrators whose salaries had been allocated to the instructional budget. Additional instructional monies coming from private sources are not included in the budget. At least for the present, restructuring has had less effect on the amount spent in the "official" budget on various budget categories and more effect on how to use the available budget in each category more effectively.

3. There are important aspects of decentralization that necessarily increase schooling costs. Our discussion of teacher time as the single most important variable in the innovation and change expected from school-based management (SBM) suggests that increased spending will be needed to secure teacher release time. Allowing for more flexibility in curriculum and textbook selection will also increase costs per pupil. If teachers choose different textbooks to fit different groups of pupils or increase the amount of reading materials available to pupils, this will also increase costs.

The Santa Fe SIP presently has limited financial implications for the district budget. The Matsushita Foundation provides funds for travel to other school

districts undergoing restructuring but not for teacher release time to do the additional planning needed to develop school improvement programs. But as more schools undertake innovative programs, teachers and parents are forced to seek funds to implement the programs from local corporations and from the state of New Mexico. In Ortiz's words, "We're going to rely more on grants and the support of the business community. We'll train teachers and principals to write grant proposals." In addition, the district is putting pressure on the state legislature to allow the district to finance higher current costs through local property taxes.

All this implies that the savings on central district administration from restructuring may quickly be exceeded by additional costs associated with increased teacher involvement in innovation and with increased instructional materials needed by such innovations. Williamson may be correct that bureaucratization may reduce transaction costs over market solutions to meeting demands for educational services. Even so, there is in the decentralization process a possible shift from spending on activities which are distinct from learning to activities which are closely related to learning. If this means that pupils will improve academically because of the shift (and increase) in spending, its effectiveness could be high.

Resistance to SIP

Many of the teachers resist participating in the SIP. Either they do not understand the purpose of the program or they are not motivated to be involved, especially when they already feel short of time to carry out their teaching duties or are close to retirement (and do not want to devote time and energy to educational change so late in their careers). School-based management can only function if the teachers themselves want to take an active role in shaping the educational process.

Since the output of schools (for example, pupil achievement) is not sold in the marketplace, there is no direct link between teacher salaries and their increased productivity--higher pupil achievement, for example--that might result from teacher decision-making and innovation. Such decentralization counts on teachers responding to the psychic rewards of a professional self-image, the enhanced camaraderie with other teachers, and the reward of having pupils improve their learning skills. All of these are valued by teachers, but not equally

by all teachers, especially if they require a great deal of additional time in an already crowded day. It is not obvious that most teachers will respond only to psychic rewards over the long- or even medium-run. Thus, passive resistance has been an important barrier to decentralization in Santa Fe.

Teacher reluctance is compounded when there is active resistance by key actors. In the meeting we attended, teachers from certain schools complained that their principals were actively deprecating SIP efforts in their schools. As Ortiz saw the problem, "Most teachers try to please the principal. If they have any inkling that the principal doesn't support the process, they won't do a thing." But Ortiz's very notion that teachers should lead in school-based management changes the principal's role in the district's administrative hierarchy from manager to facilitator. Whereas some principals responded well to this change, understanding that the shift was from control to leadership, others perceived teacher empowerment as a trade-off between teachers' professionalization and principals' de-managerialization. In some schools, this perception turned into obstruction of the SIP process.

We interviewed several principals and teachers in the district to get at the issue of teacher-principal relations in the restructuring process. Not surprisingly, even activist teachers prefer strong, positive leadership from the principal--in the words of one teacher, a "strong but not thumbs-on leader." The role of the principal, then, is to make teachers confident that they can initiate and carry through changes in curriculum and delivery, and to let go of the innovating process once the teachers take responsibility.

The principals who buy into school-based management agree. One told us that "if a principal overdirects, it becomes a principal school, but a principal also has responsibility to shape an attitude [among teachers and parents] that 'we are in it together'. . . .The main problem is to convince teachers that they have to take charge. Getting teachers to do something is difficult. They have been conditioned to stay in their own classroom."

Initiating the teacher empowerment process therefore seems to rely heavily on leadership from above, and principals can either be skilled facilitators or significant obstacles to school-based, teacher-participation management. Those principals hostile to Ortiz's initiatives have successfully hindered activist teachers in their schools despite Ortiz's clear message that teachers should work around obstructionist principals.

The reality of school district organizations is that they are hierarchical and that the hierarchy continues upward above the school district to the state. Teachers are situated near the bottom of the hierarchy (above students, however), and they have learned to play their role in that position. Restructuring asks them and principals to change roles significantly. That is not easy for any of these actors, especially when the hierarchy as a whole has not changed.

RESTRUCTURING AND LEGITIMACY: IMPLICATIONS FOR POLICY

The implementation of the professionalization-decentralization model in Santa Fe has important implications for teacher self-image and educational innovation, two variables of interest to other districts concerned with student performance and school district legitimacy. In those schools where teachers have mobilized themselves in response to the opportunity provided by Ortiz's belief in school-based management and the structure of Santa Fe's SIP, they have begun to make significant changes. Whether these changes will have an effect on learning is not clear, but in the short-term, teachers in the "active schools" feel increased empowerment and "a new sense of partnership with their principals and central administration."[22] School representatives also report that the SIP has "stimulated increased interaction, cooperation and interfacing with parent groups, the community, other institutions, and businesses."[23]

There are short-run economies realized through such school-based management. Teachers are producing educational innovation and probably higher student motivation through the SIP without higher teacher salaries, using only limited additional funds for teacher release time and for additional materials. From both teachers' and pupils' points of view, the schools are more pleasant and interesting places to be. To the degree that decisions on curriculum, teacher hiring, and even searches for principals can be shifted to the schools, central administration costs are lower.

One important downside to restructuring is that the additional teacher time required to undertake these activities is a hidden cost. If it is offset by psychic rewards highly valued by teachers, the district can be run at lower material cost per pupil. Santa Fe's educational system could simultaneously become more effective and lower cost. Yet, if the reform results in greater measurable effectiveness (or even in visibly greater parent satisfaction), teachers would eventually and justifiably demand higher salaries. If these are refused or are raised less than expectations, psychic reward could turn into psychic disincentive and the reform could disintegrate. If, to the contrary, the reform does not result in greater measurable effectiveness or if early increases tail off, teachers could

easily burn out. In New Mexico's state-financed system, the pitfalls are greater than elsewhere, since teacher salaries are set at the state level.

One teacher told us, "If you want to support this, provide us with the time we need to implement these programs. We want the salary we are worth. Salary has been a big issue for a long, long time." Another teacher put it even more strongly: "You are as good as you think you are. They [the state legislature] will have to prove that they think we are that good."

Another downside is that the very low-income pupils who could profit most from innovative, at-risk focussed programs are the one with the least vocal, least politically powerful parents. This makes things more difficult for those teachers and principals (and for Ortiz) who want to see more resources going to those pupils. As a teacher put it, "The only way we are going to get any change is to get support from the parents." But, as one principal told us, "[Low-income] parents are not used to having a conduit to the school. . . .Getting the parents there is the hardest part of it."

When they do come to the school, they are supportive of the new programs. This was the case in Sweeney Elementary with an innovative pilot summer program (1988) for at-risk pupils. The program was part of a larger "early intervention project" at the school. Three children were nominated by each teacher to participate, and teachers raised $3,000 to defray costs. The New Mexico Educational Assistance Foundation donated another $1,200. More important, parents of participating pupils paid part of the costs. The program got rave reviews from parents, pupils, and teachers. It gave at-risk children the opportunity to take leadership roles in a multi-age setting. They got turned on to schooling.

Yet, the success of the summer school also generated pressures from parents of already successful pupils to participate with the at-risk students in a similar program in summer, 1989. It is difficult for teachers and the principal to resist these pressures, so the program will now include a number of higher achievers. In practice, the effort to divert innovate effort and other resources just to the at-risk group has had to make serious compromises. The more successful the innovations directed to the at-risk pupils, the more pressure will be placed on schools to include already high performers. And these pressures will come from vocal, highly participative parents who know how to get the best the schools can offer for their children.

Until now, with Matsushita's help, Ortiz has been able to keep school district interest and belief in the SIP high. His personal energy, the time he devotes to the restructuring process, and his considerable legitimacy with the school board and teachers has committed significant number of teachers and parents to the reforms. Teachers have also profited with genuinely greater control over classrooms and their schools. Their innovativeness has been rewarded with recognition as professionals and "owners" of the educational process. Since the SIP does not increase local taxes, parents can hardly complain, especially when school becomes a more interesting place and more education seems to be happening. The key to continued legitimacy is the teachers' view of restructuring. It is their time and energy which drives the reform. If they continue to regard school-based management as rewarding in whatever terms, Ortiz's efforts will continue to be supported. If pupil performance increases or parent satisfaction is raised by the reform, but teachers feel inadequately rewarded, conflicts could develop over the continuation of school-based management. Teachers and parents together may also have to increase pressure on the state to pay higher teacher salaries for the reform to continue.

Santa Fe pupils' academic performance is key to arguing for decentralization, but enters only as one--and not the most important--factor in the continued legitimacy of the restructuring efforts and the success of school-based management. Ortiz correctly focuses politically on teachers' psychic rewards and parent support, keeping teachers and parents mobilized around the SIP process, and raising money to finance restructuring. He believes that school-based management is already paying off in better education and will result in higher pupil achievement, but this is not what is going to make teachers continue to support it with their time and energy. Nor may it be enough to enable the district to focus increased energy on at-risk pupils. Higher income parents will have to be convinced that such focus also helps their children, and does not simply redress "wrongs" for which they do not feel responsible.

Finally, the state legislature will have to be convinced that restructuring can and does produce higher achievement and is worth paying for. As Ortiz told us, "Legislators see a lot of this as 'no accountability.' They argue that it is the state that has responsibility for education. Then they ask, 'Should we spend dollars and have no control?'" Restructuring in a few districts, motivated by

local conditions, does not change the wider historical bureaucratization of education and the conditions that led to it.

We find that implementing school based management means reducing significantly the number of the district office administration and changing the nature of teacher-principal roles. There is support for such change among teachers and parents. Teacher innovation seems to produce an atmosphere of excitement about learning and may increase the effectiveness of educational resources in producing learning. But there is also resistance, not only because of existing hierarchies but because school based management requires voluntary time from teachers and principals on top of already heavy demands. If, in addition, the restructuring begins shifting educational resources to at-risk pupils, the more vocal, higher-income parents may push to alter the nature and spirit of such changes.

School-based management accompanied by reduced central administration does increase teacher effort. But the psychic rewards of teacher empowerment can only last so long. Eventually the reform may also increase costs, as volunteer work is "monetized" into higher salaries and into spending on releasing teachers for non-teaching activities. Even so, substituting teacher instructional innovation for administrative salaries may be cost-effective in terms of learning outcomes. Improved student performance, if it is forthcoming, could provide a stimulus for increased resources locally or from the state.

ENDNOTES

1. Henry M. Levin, "Educational Production Theory and Teacher Inputs," in C. Bidwell and D. Windham (eds.), The Analysis of Educational Productivity: Issues in Macroanalysis (Cambridge, MA: Ballinger Publishing, 1980).

2. R. M. Cyert and J. March, A Behavioral Theory of the Firm (Englewood Cliffs: Prentice Hall, 1963).

3. See also Susan Rosenholz, Teachers' Workplace (New York: Longmans, 1989).

4. C. Bidwell and D. Windham, "Introduction," in C. Bidwell and D. Windham (eds.), The Analysis of Educational Productivity: Issues in Macroanalysis (Cambridge, MA: Ballinger Publishing, 1980).

5. Levin, p. 213.

6. Martin Carnoy, "Analyzing School District Centralization: A Research Framework," School of Education, Stanford University, 1988. Mimeo.

7. Paula White, Resource Materials on School-Based Management (New Brunswick, NJ: Rutgers University, Center for Policy Research in Education, 1987); Jane David, Restructuring in Progress: Lessons from Pioneering Districts (Washington, DC: National Governors' Association, 1989).

8. James Lewis, Jr., Achieving Excellence in Our Schools (New York: Wilkerson Publishing Company, 1986), p. 172. The autonomous professional model does not suggest that teachers act in total isolation from each other and their district and community. Rather, current research and discussion focus on the idea that schools can be improved through removing district-level restraints, decentralizing decision making, and allowing teachers, parents, and principals to solve curricular, staff, budget, and other "administrative" challenges at the school site. See, for example, John Goodlad, "Forward," in Joyce, Hersh, McKibben (eds.), The Structure of School Improvement (New York: Longman, 1983), p. xi; Levin, p. 211; Lewis, p. 172.

9. Oliver Williamson, Markets and Hierarchies: Analysis and Antitrust Implications (New York: Free Press, 1975). See also, William Ouchi, "Markets, Bureaucracies, and Clans," Administrative Science Quarterly, 25 (March, 1980), pp. 129-141.

10. Jane David's (1989) review of school district reform around the country suggests the limited amount of restructuring and its great variety.

11. B. Malen, R. T. Ogawa and J. Krantz, "What Do We Know About School-Based Management" (School of Education, University of Utah, May, 1989). Mimeo.

12. Carnoy.

13. In 1987-88, 94.3 percent of Santa Fe's funding came directly from the state and 2.3 percent from local funding. The rest came from a minimal amount of federal funding and a cash balance.

14. In a recent description of the Foundation's program in school reform, Sophie Sa describes its role as follows (from a draft description, titled "The Matsushita Foundation's Program in School Reform"):

> ... the board and officers of the Foundation have made the decision to devote all of its precollegiate education program resources (amounting to 85% of its entire program funds) to the task of promoting systemic, school-based, whole-school reform: systemic, in that we want to move beyond the isolated good school to improving an entire school district and, perhaps, even an entire state; school-based, in that the school site must be centrally involved in making decisions that affect the education program of the school; and whole-school, in that the school must be seen as an organic whole, rather than an agglomeration of unconnected and disjointed parts.
>
> In this effort, the Foundation's first task is to identify school districts that are seriously and demonstrably committed to the premise that all children can learn, and to the principles of systemic, school-based, whole-school reform. Having identified the districts, and ascertained that they want Matsushita's involvement, the Foundation then goes on to provide not money in the form of grants or other awards, but technical assistance, by bringing to the districts and to those schools in the districts that wish the Foundation's assistance, consultants who are themselves practicing teachers and administrators.
>
> It is not the Foundation's intention to offer "models" of success to be replicated. The approach, rather, is to expose educators to examples of successful practice so as to provoke them to, as Ted Sizer puts it, "challenge the regularities" (regularities such as the 45 or 50 minute class period, the six or seven period school day, the standard curriculum, the isolation of teachers from one another, traditional teaching approaches, the tracking of students, district control of the school budget, centralized assignment of principles and teachers), and to work with schools and districts to first devise and then to carry out their own particular solutions for meeting the particular educational needs of their students.

15. Patricia Mitchell, "Restructuring Leadership Roles of the State and for Schools: A Report to State Leaders in New Mexico" (Prepared for the State of New Mexico and the Matsushita Foundation, February, 1989).

16. Santa Fe Schools Improvement Program, Rebuilding for the Future (New Mexico: Santa Fe School District, 1988) p. 2.

17. Santa Fe Schools Improvement Program, p. 3.

18. Ortiz says, however, that "a lot of things that the teachers perceive as required by the state are being required by some [local] administrator...more paperwork is added by the [local and district] administration than required by the state."

19. Santa Fe Schools Improvement Program, p. 4.

20. Santa Fe Schools Improvement Program, p. 3.

21. As part of our larger study of school district centralization and decentralization, we analyzed a highly centralized district--Santa Clara Unified--which was approximately the same size (in number of students) as Santa Fe Unified.

22. Santa Fe Schools Improvement Program, p. 5.

23. Santa Fe Schools Improvement Program, p. 9.